

### REMARKS

Claims 1-21 are currently pending in the captioned patent application. Claims 1 and 19-21 have been amended. Support for the amendments may be found throughout the specification and drawings of the application as originally filed. For at least the reasons set forth below, applicants respectfully request reconsideration of the Office Action rejections.

#### § 103(a) Rejections of Claims 1-21

Claims 1-14 and 19-21 stand rejected under 35 U.S.C. §103(a) as obvious in view of a patent to Salvo et al. (U.S. Pat. No. 6,341,271). Claims 15-18 stand rejected under 35 U.S.C. §103(a) as obvious in view of a proposed combination of Salvo and a Technology Report entitled Simple Object Access Protocol (SOAP)(hereinafter "SOAP") at <http://xml.coverpages.org/soap.html>.

According to MPEP §2141, the guidelines provided in *Graham v. John Deere Co.* should be followed in the consideration and determination of obviousness under 35 U.S.C. §103. The four factual inquiries used in *Graham* as a background for determining obviousness include:

- (A) Determining the scope and contents of the prior art;
- (B) Ascertaining the differences between the prior art and the claims in issue;
- (C) Resolving the level of ordinary skill in the pertinent art; and
- (D) Evaluating evidence of secondary considerations.

Objective evidence or secondary considerations such as unexpected results, commercial success, long-felt need, failure of others, copying by others, licensing, and skepticism of experts are relevant to the issue of obviousness and must be considered in every

case in which they are present. When evidence of any of these secondary considerations is submitted, the Examiner must evaluate the evidence. See MPEP §2141.

As noted in MPEP §706.02(j) (entitled "Contents of a 35 U.S.C. 103 Rejection"):  
"To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." (quoting *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985)). Also, as stated in MPEP §2142 (entitled "Legal Concept of Prima Facie Obviousness"):

The legal concept of prima facie obviousness is a procedural tool of examination which applies broadly to all arts. It allocates who has the burden of going forward with production of evidence in each step of the examination process. . . The examiner bears the initial burden of factually supporting any prima facie conclusion of obviousness. If the examiner does not produce a prima facie case, the applicant is under no obligation to submit evidence of nonobviousness.

. . . .

To reach a proper determination under 35 U.S.C. 103, the examiner must step backward in time and into the shoes worn by the hypothetical "person of ordinary skill in the art" when the invention was unknown and just before it was made. In view of all factual information, the examiner must then make a determination whether the claimed invention "as a whole" would have been obvious at that time to that person.

Also, as noted in MPEP §2143.01 (entitled, "Suggestion or Motivation To Modify the References"), it is stated in pertinent part:

IV. MERE STATEMENT THAT THE CLAIMED INVENTION IS WITHIN THE CAPABILITIES OF ONE OF ORDINARY SKILL IN THE ART IS NOT SUFFICIENT BY ITSELF TO ESTABLISH PRIMA FACIE OBVIOUSNESS - A statement that modifications of the prior art to meet the claimed invention would have been "well within the ordinary skill of the art at the time the claimed invention was made" because the references relied upon teach that all aspects of the claimed invention were individually known in the art is not sufficient to establish a prima facie case of obviousness without some objective reason to combine the teachings of the references. *Ex parte Levengood*, 28 USPQ2d 1300 (Bd. Pat. App. & Inter. 1993). "[R]ejections on obviousness cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *KSR*, 550 U.S. at \_\_\_, 82 USPQ2d at 1396 quoting *In re Kahn*, 441 F.3d 977, 988, 78 USPQ2d 1329, 1336 (Fed. Cir. 2006).

V. THE PROPOSED MODIFICATION CANNOT RENDER THE PRIOR ART UNSATISFACTORY FOR ITS INTENDED PURPOSE - If proposed modification would render the prior art invention being modified unsatisfactory for its intended purpose, then there is no suggestion or motivation to make the proposed modification. *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984).

VI. THE PROPOSED MODIFICATION CANNOT CHANGE THE PRINCIPLE OF OPERATION OF A REFERENCE - If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious. *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959).

For at least the following reasons, applicants respectfully submit that the Office Action has not established a *prima facie* case of obviousness against the presently amended claims of the patent application, because the cited references, whether taken alone or in combination, fail to disclose, teach or suggest every element recited in the presently amended claims as described in more detail below.

As amended, each of independent Claims 1, 19, 20 and 21 recite in part: “. . . at least one container containing an amount of a supplier’s inventory material at a first monitored location *under control of the supplier*; at least one container containing an amount of a customer’s inventory material at a second monitored location *under control of the customer*.” (emphasis added). It can be seen that both the supplier’s inventory and the customer’s inventory are monitored in accordance with each of the independent claims. This dual monitoring of both the inventory at various locations controlled by the supplier, as well as the inventory controlled by the supplier’s customer, provides significant advantages over the cited references. In particular, the supplier is able to manage inventory with knowledge of the whole supply chain, i.e., by knowing the inventory (and hence predictable demand) of the customer, as well as knowing the current inventory in control of the supplier. In this manner, the supplier is better equipped to anticipate short falls in the supply chain on a real time basis and take corrective action on the supplier’s end.

In contrast to the pending claims, Salvo does not teach, disclose or suggest monitoring inventory both “at a first monitored location under control of the supplier” and “at a second monitored location under control of the customer,” as recited in Claim 1, for example. Turning to Figure 1 of Salvo and its corresponding text description, it is noted that the only receptacles 104 monitored are those associated with the customer (manufacturing site 103). In addition, Salvo describes its inventory monitoring process as follows (at col. 4, lines 59-67):

The indicators 108 send signals indicative of the inventory amount 151 to a site controller 112. The site controller 112 is connected to receive signals from inventory storage receptacles and on-site inventory areas. These on-site storage areas, which contain inventory 150 and include a sensor 108 as needed, may include, a

warehouse 113 and on-site transport vehicles, for example a rail car 111, vessel 117, and a truck 110, that have delivered inventory 150 to the manufacturing site 103.

It can be seen that Salvo does not teach or suggest corresponding monitoring of the inventory of the supplier. Salvo is silent with regard to an inventory management system that includes monitoring inventory both “at a first monitored location under control of the supplier” and “at a second monitored location under control of the customer.”

Applicants respectfully submit that the teachings of Salvo do not render the presently claimed invention obvious at least because Salvo is only concerned with monitoring inventory at the customer’s own manufacturing site without regard to coordinated monitoring of inventory at the suppliers site controlled by the supplier, which is a significant improvement in supply chain management provided by the present invention.

In addition, because dependent Claims 2-18 depend from and further limit independent Claim 1, which is not anticipated or obvious as described above, dependent Claims 2-18 are not obvious at least by virtue of their dependence from Claim 1.

#### Miscellaneous

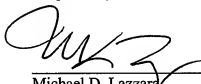
Applicants submit that the dependent claims pending herein are allowable at least by virtue of their dependency on independent claims which, as applicants describe above, are patentable over the cited references. Applicants reserve the right, however, to make supplemental arguments as may be necessary, because the dependent claims of the present application include additional features that further distinguish the claims from the cited

references. A detailed discussion of these distinctions is believed to be unnecessary at this time in view of the fundamental distinctions already set forth in the above remarks.

SUMMARY

Based on at least the present amendments and the foregoing remarks, applicants respectfully request reconsideration and allowance of all pending claims of the present application. Any questions regarding this response are invited to the attention of the undersigned representative by telephone or e-mail.

Respectfully submitted,

  
\_\_\_\_\_  
Michael D. Lazzara  
Reg. No. 41,142

K&L GATES LLP  
Henry W. Oliver Building  
535 Smithfield Street  
Pittsburgh, Pennsylvania 15222-2312

Telephone: (412) 355-8994  
Fax: (412) 355-6501  
E-mail: michael.lazzara@klgates.com

Customer No. 41835